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TAGS: [PREL](#) [PGOV](#) [ENRG](#) [EPET](#) [ETRD](#) [KNNP](#) [EG](#) [RU](#)
SUBJECT: MUBARAK'S NUCLEAR PROTOCOL WITH RUSSIA:
HIGHLIGHTING INDEPENDENCE FROM THE U.S.?

REF: A. CAIRO 579

[1](#)B. CAIRO 574

Classified by Minister Counselor for Economic and Political
Affairs William R. Stewart for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: Contacts in the GOE and Egyptian academia
have described President Mubarak's late March visit to Russia
as "routine," including the Egyptian-Russian nuclear energy
protocol signed during the visit. While the nuclear energy
protocol and other agreements for Egyptian-Russian
cooperation were light on substance, they show that Egypt
continues to highlight diversity of its foreign relations.
Publicizing relations with Russia also allows the GOE some
space from criticism from an Egyptian public that is both
opposed to U.S. policies in the Middle East and restive with
its government over domestic concerns. End summary.

Mubarak Visits Moscow

[1](#)2. (U) Egyptian President Hosni Mubarak traveled to Moscow
March 24 26 with a delegation that included Minister of
Foreign Affairs Ahmed Aboul Gheit, Minister of Electricity
and Energy Hassan Younes, Minister of Petroleum Sameh Fahmi,
Minister of Trade and Industry Rachid Mohamed Rachid,
Egyptian General Intelligence Service (EGIS) Chief Omar
Soliman, and Presidential Advisor Zakariya Azmi. Mubarak
told press before departing that the visit would focus on
regional issues such as Israeli-Palestinian peace, and
bilateral cooperation in nuclear energy, industry,
technology, and investment, including Russian assistance to
Egyptian nuclear power plant construction and establishing a
Russian industrial zone near Alexandria. Separately,
Minister Rachid told the press that Russia had agreed to
grant preferential treatment to Egyptian agricultural
products.

[1](#)3. (C) MFA Cabinet Advisor for Eastern Europe Omar Amer
Youssef told us April 2 that Mubarak's visit was the third in
a series of strategic dialogue meetings between Egypt and
Russia, and was timed so that Mubarak could pay a farewell
call on outgoing Russian President Putin and meet
President-elect Medvedev. The two leaders discussed three
main bilateral issues: reinvigorating the stalled
establishment of a Russian industrial zone in Burj Al Arab
near Alexandria to produce cars for export and maintain
Soviet military equipment still used by the Egyptian
military; the high level of Russian tourism to Egypt (as more
tourists from Russia visit Egypt than from any other
country); and increasing bilateral trade. The two leaders
also confirmed their intent to continue educational and
cultural exchanges between the two countries, Amer said.

[1](#)4. (C) Amer reported that Mubarak encouraged the Russians to
see the proposed May meeting in Moscow regarding the

Israeli-Palestinian issue as a continuation of the Annapolis process. Putin reportedly sought Mubarak's analysis on crises in Sudan, Lebanon, Iraq, and Iran, and reiterated Russian opposition to recognizing Kosovo. Amer contended that Egyptian opposition to recognizing Kosovo (ref A) was only due to Egyptian analysis that independence would destabilize the region, and not due to Russian pressure.

Nuclear Protocol Low on Substance but "Teases" U.S.

¶5. (C) Minister of Electricity and Energy Younes told reporters that, while in Moscow, he signed a protocol with the head of ROSATOM that will allow Russian nuclear energy companies to participate in the pending Egyptian tender concerning consultancy services for site selection and evaluation for a nuclear power plant (ref B). FCS Counselor reports that so far two U.S. companies have expressed interest in this tender, for which bids are due May 15, 2008.

Amer said that the nuclear protocol has been under negotiations since 2002 and was "not really a big deal," as Mubarak planned the visit to Russia to coincide with the change in leadership in Moscow and "we were looking around for deals." However, a Ministry of Trade contact told us separately that the protocol, while light on substance, is a message to the U.S. that Egypt has "other choices" when it comes to foreign support of Egyptian projects.

¶6. (C) Dr. Abdel Moneim El Mashat, Director of the Center for Political Research and Studies at Cairo University, told us April 1 that Mubarak's visit came in the normal course of Egypt diversifying its strategic foreign relations. While the GOE may be "teasing" the U.S., there is no substitute for the strong relationship that Egypt has with the U.S. Additionally, El Mashat assessed that the GOE may calculate

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that announcing deals with Russia - a country historically at odds with the U.S. - may win it points at home by showing that the GOE is not beholden to the U.S. and its unpopular policies in the region.

Comment: Diversified Relations Also Domestic Propaganda

¶7. (C) The GOE appears to be increasingly focusing on its relationships in Europe and Asia, and the visit to Russia falls under this framework. The deals so far are less than meets the eye: the nuclear energy protocol only allows Russian companies to compete for future tenders, and the industrial zone has been under discussion for some time and would be of limited scale. However, we assess that, for some in the GOE, highlighting Russian ties demonstrates Egypt's independence from perceived U.S. pressure, and as well is an avenue to deflect internal criticism as domestic woes mount.

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